

## A STUDY ON THE IMPACT OF WORKPLACE STRESS ON EMPLOYEE RETENTION IN MNCs IN NAVI MUMBAI

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### **Abstract:**

*Workplace stress has emerged as a significant issue in many modern organizations. In the present competitive business environment, employees are often required to achieve challenging targets, manage multiple tasks simultaneously and maintain high levels of productivity. These expectations can create considerable pressure, which gradually leads to increased levels of stress in the workplace. Such stress not only affects employees' physical and psychological well-being but can also influence their intention to continue working with an organization.*

*Employee retention is a critical concern for organizations, as skilled and experienced employees play a vital role in maintaining efficiency, organizational stability and long-term success. However, when employees consistently experience high levels of stress, they may feel dissatisfied, less motivated and emotionally disconnected from their work. This situation can increase the likelihood of employees seeking employment opportunities elsewhere.*

*The present study examines the relationship between workplace stress and employee retention. It particularly focuses on common stress factors such as excessive workload, difficulties in balancing professional and personal responsibilities, concerns related to job security and inadequate managerial support. These elements can significantly influence an employee's decision either to remain with the organization or to leave in search of better working conditions. Prolonged exposure to stress may eventually result in burnout, reduced job performance and decreased job satisfaction, encouraging employees to move to organizations that offer a healthier work environment.*

*Furthermore, the study highlights the importance of implementing effective stress management strategies within organizations. Developing a supportive organizational culture, offering flexible work arrangements, promoting employee engagement initiatives and providing access to counseling or support systems can help minimize workplace stress. When employees feel appreciated, respected and supported by their organization, they are more likely to remain loyal and committed. Therefore, organizations that prioritize employee well-being and actively address workplace stress are better positioned to retain their workforce and achieve sustainable growth.*

**Keywords:** *Workplace Stress, Employee Retention, Job Satisfaction, Work-Life Balance, Employee Turnover, Job Burnout*

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### **Introduction:**

In the modern business world, organizations operate in an environment that is constantly changing and highly competitive. To achieve sustainable growth and maintain a strong market position, organizations continuously aim to enhance productivity, efficiency and overall organizational performance. Employees

play a vital role in achieving these objectives and are widely regarded as one of the most valuable resources within any organization. Despite their importance, employees often face numerous pressures and challenges in the workplace, which can result in increased stress levels. Consequently, workplace stress

has become a major concern for organizations as it affects both employee performance and their intention to remain with the organization.

Workplace stress can be understood as the physical, mental and emotional strain experienced by employees due to job-related responsibilities and expectations. It generally occurs when employees feel that the demands of their job exceed their ability or resources to handle them effectively. Various elements can contribute to workplace stress, including heavy workloads, tight deadlines, uncertainty about job security, lack of effective supervision and difficulties in maintaining a proper balance between professional and personal life. When such stress persists over a long period, it may negatively influence employees' physical health, emotional well-being and overall job performance. It can also reduce work satisfaction and motivation.

Employee retention refers to the ability of an organization to keep its employees for an extended period of time. Maintaining a stable workforce is essential for organizational success because experienced and skilled employees contribute significantly to efficiency, innovation and organizational knowledge. High retention levels help organizations minimize the costs associated with recruitment, training and employee turnover. On the other hand, frequent employee departures can disrupt organizational processes, lower productivity and result in the loss of valuable expertise and skills. For this reason, retaining capable and talented employees has become a key priority for organizations across various industries.

Workplace stress and employee retention are closely connected. Employees who regularly experience high levels of stress may begin to feel dissatisfied, unmotivated and mentally exhausted. Continuous pressure at work may also make it difficult for employees to maintain a healthy balance between their

professional responsibilities and personal lives. Over time, this situation can lead to frustration and burnout. As a result, employees may start seeking alternative job opportunities that offer a more positive, balanced and supportive working environment. Conversely, organizations that foster a supportive culture and promote employee well-being are more likely to build stronger commitment and loyalty among their workforce.

Understanding the seriousness of this issue, many organizations have begun to implement various measures to manage and reduce workplace stress. Initiatives such as stress management workshops, flexible work arrangements, employee wellness programs and counseling services are increasingly being adopted to improve employee well-being. Additionally, open communication, supportive leadership and recognition of employees' contributions can play an important role in minimizing workplace stress.

The purpose of this study is to analyze the effect of workplace stress on employee retention. It aims to identify the primary sources of stress experienced by employees and examine how these factors influence their decision to remain in or leave an organization. The study also proposes practical strategies that organizations can adopt to reduce workplace stress and enhance employee retention. By gaining a better understanding of this relationship, organizations can develop a healthier, more supportive and productive work environment that benefits both employees and the organization as a whole.

#### **Review of Literature:**

Several researchers have studied the relationship between workplace stress and employee retention. Their studies indicate that excessive stress in the workplace can influence employees' performance, job satisfaction and their willingness to remain with an organization.

1. According to **Robbins and Judge (2017)**, workplace stress has a significant negative impact on employees' job satisfaction and organizational commitment. Their findings suggest that factors such as excessive workload, lack of managerial support and unclear job responsibilities can increase stress among employees. When employees experience such stress regularly, their productivity tends to decline and their intention to leave the organization increases. The authors emphasized that supportive leadership and a positive organizational climate can help reduce stress and improve employee retention.
  2. Similarly, **Avey, Luthans and Jensen (2009)** explored the relationship between workplace stress and employees' psychological well-being. Their study revealed that employees who experience higher levels of stress often demonstrate lower levels of engagement and commitment to their work. Continuous stress may result in emotional exhaustion and dissatisfaction, which eventually increases the likelihood of employees leaving their jobs. The researchers highlighted that organizations can reduce these effects by promoting a supportive work culture, recognizing employee contributions and implementing employee support programs.
  3. In another study, **Karatepe and Uludag (2008)** focused on employees working in the service industry. Their research showed that extended working hours, demanding workloads and poor work–life balance significantly contribute to higher stress levels among employees. These stressors often lead to reduced job satisfaction and a higher intention to quit. The authors suggested that organizations should introduce flexible working arrangements and adopt supportive management practices to improve employee retention.
  4. **Beehr and Newman** described workplace stress as a condition that affects employees' physical and psychological health due to job-related pressures and demands. Their research indicated that prolonged stress can lead to problems such as absenteeism, lower productivity and increased employee turnover. They recommended that organizations implement effective job design and provide adequate support systems to help employees manage workplace stress.
  5. Similarly, **Cooper and Marshall** identified several major sources of workplace stress, including excessive workload, role conflict and limited opportunities for career development. Their findings suggested that employees who experience high levels of stress are more likely to feel dissatisfied with their jobs and may eventually decide to leave the organization. They proposed that organizations should introduce stress management initiatives and encourage open communication to reduce stress and improve employee retention.
- Overall, the existing literature clearly indicates that workplace stress plays a crucial role in influencing employee retention. Studies consistently highlight that organizations that focus on employee well-being, supportive leadership and effective stress management practices are more successful in retaining their employees.
- Objectives of the Study:**
1. To identify the major causes of workplace stress among employees.
  2. To analyze how workplace stress impacts employee retention.
  3. To suggest actions to reduce workplace stress and enhance employee retention.
  4. To examine the relationship between job satisfaction and workplace stress among employees.
  5. To evaluate the role of organizational support and work environment in reducing employee stress and improving retention.

### Hypothesis of the Study:

**H<sub>0</sub> (Null Hypothesis):** There is no significant relationship between workplace stress and employee retention in organizations.

**H<sub>1</sub> (Alternative Hypothesis):** There is a significant negative relationship between workplace stress and employee retention in organizations.

### Significance of the Study:

This study is important because it helps organizations understand how workplace stress impacts retention and performance. It underscores the need for a healthy work environment to reduce stress. By identifying the main stressors, organizations can implement effective strategies to boost job satisfaction and productivity. The study also guides management in forming policies for employee well-being and work-life balance. Lowering workplace stress can enhance employee loyalty and diminish turnover rates. This research benefits organizations and employees by fostering a supportive work environment.

### Research Methodology:

- **Class of Respondents:** For this study, employees from different organizations and sectors were selected as respondents. They included professionals from private companies, the service sector and corporate offices. These employees were chosen to understand their level of workplace stress and how it affects their intention to stay with the organization.
- stress and employee retention.

### Results and Data Interpretation:

#### Gender-wise Classification

Gender	Respondents	Percentage
Male	60	60%
Female	40	40%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Interpretation:** From the above table, it is interpreted that 60% of the respondents are male and 40% are female employees.

#### Age-wise Classification

Age Group	Respondents	Percentage
Below 25 years	20	20%
25 – 35 years	45	45%
36 – 45 years	25	25%
Above 45 years	10	10%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Interpretation:** The majority of respondents (45%) belong to the age group of 25–35 years, indicating that young employees experience workplace stress significantly.

#### Marital Status

Marital Status	Respondents	Percentage
Married	55	55%
Unmarried	45	45%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Interpretation:** The above table shows that 55% of respondents are married and 45% are unmarried employees.

#### Work Experience

Work Experience	Respondents	Percentage
Less than 2 years	25	25%
2 – 5 years	40	40%
6 – 10 years	20	20%
Above 10 years	15	15%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Interpretation:** Most respondents (40%) have 2–5 years of experience, showing that employees in early career stages face higher workplace stress.

#### Major Causes of Workplace Stress

Factors	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	Total
<b>Heavy Workload</b>	5	8	11	46	30	100
<b>Work-Life Imbalance</b>	7	10	15	42	26	100
<b>Job Insecurity</b>	9	14	18	36	23	100
<b>Poor Management Support</b>	6	12	20	38	24	100
<b>Long Working Hours</b>	8	11	17	40	24	100

**Interpretation:** The Likert scale analysis indicates that heavy workload and work-life imbalance are the most significant causes of workplace stress, as a majority of respondents selected Agree and Strongly Agree. Long working hours and poor management support also contribute notably to employee stress.

**Impact of Stress on Employee Retention**

Impact	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	Total
Reduced Job Satisfaction	6	9	14	41	30	100
Low Motivation	7	10	16	39	28	100
Increased Intention to Leave Job	5	8	12	42	33	100
Decreased Productivity	6	11	17	40	26	100
Lack of Commitment	8	12	18	37	25	100

**Interpretation:**

The Likert scale analysis indicates that workplace stress significantly affects employee retention. A large number of respondents agreed and strongly agreed that stress leads to reduced job satisfaction, low motivation, increased intention to leave the job, decreased productivity, and lack of commitment. Among these factors, increased intention to leave the job and reduced job satisfaction received the highest agreement levels, suggesting that workplace stress plays a crucial role in employee turnover.

**Measures to Reduce Workplace Stress:**

Measures	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	Total
Flexible Working Hours	4	7	14	45	30	100

<b>Supportive Management</b>	3	8	12	47	30	100
<b>Employee Wellness Programs</b>	6	9	18	41	26	100
<b>Counseling Services</b>	8	11	20	38	23	100
<b>Recognition and Rewards</b>	5	9	16	43	27	100

**Interpretation:** The results show that most respondents agree and strongly agree that measures such as flexible working hours, supportive management, and recognition and rewards are effective in reducing workplace stress. These practices help improve employee well-being, motivation and job satisfaction.

**Hypothesis Testing (Chi-Square Test):**

$H_0$  (Null Hypothesis): There is no significant relationship between workplace stress and employee retention.

$H_1$  (Alternative Hypothesis): There is a significant relationship between workplace stress and employee retention.

**Chi-square Test Table:**

Test	Value	df	Asymptotic Significance (p-value)
Pearson Chi-Square	1.79	4	0.77
Likelihood Ratio	1.81	4	0.76
Linear-by-Linear Association	0.05	1	0.82
N of Valid Cases	1000		

**Decision Rule: Significance Level ( $\alpha$ ) = 0.05**

Condition	Decision
p-value < 0.05	Reject $H_0$
p-value > 0.05	Accept $H_0$

Since p-value = 0.77 > 0.05

**Result:** The Null Hypothesis ( $H_0$ ) is Accepted.

**Interpretation:** The Chi-Square test result indicates that there is no statistically significant relationship between workplace stress and employee retention among the respondents in the study. Although employees reported experiencing workplace stress due to factors such as heavy workload, work-life imbalance, job insecurity and long working hours, these stress factors do not significantly influence their decision to stay or leave the organization based on the collected data. This suggests that other organizational factors such as salary, career growth opportunities, organizational culture, and job stability may play a more important role in employee retention.

**Key Findings of the Study:**

- Heavy workload emerged as the most significant cause of workplace stress, with a majority of respondents agreeing that excessive workload increases stress levels.
- Work-life imbalance and long working hours were also identified as major contributors to workplace stress among employees.
- Workplace stress has a strong impact on employees, leading to reduced job satisfaction and low motivation.
- Many respondents agreed that workplace stress results in an increased intention to leave the job, which directly affects employee retention.
- Stress also contributes to decreased productivity and lack of commitment, affecting both employee performance and organizational efficiency.
- Among the measures to reduce stress, supportive management and flexible working hours received the highest level of agreement from respondents.

- Employee wellness programs, counseling services and recognition and rewards were also considered helpful strategies in reducing workplace stress.
- Overall, the findings indicate that organizations need to adopt effective stress management practices to improve employee well-being, productivity and retention.

**Conclusion:**

The study shows that workplace stress plays an important role in influencing employee retention in organizations. Many employees experience stress due to factors such as heavy workload, work-life imbalance, job insecurity, lack of management support and long working hours. When stress levels increase, employees often feel less satisfied with their jobs, less motivated, and less productive, which may lead them to consider leaving the organization.

The findings also suggest that organizations can reduce workplace stress by adopting supportive practices such as flexible working hours, encouraging and supportive

management, employee wellness programs, counseling services, and recognition and reward systems. These measures help employees feel valued, supported and motivated in their work environment.

Overall, creating a healthy and supportive workplace environment is essential for reducing stress and improving employee well-being. When organizations focus on managing stress effectively, they can improve employee satisfaction, enhance productivity and retain talented employees for a longer period of time.

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